

It's a question of time

Dear readers, for a long time it has been quite difficult to find a positive news for our industry. Now we have got more at once, choose the best for you!

Belgium is again an ASF-free country. So far, only the EU has recognized this status, but now no ASF case has been reported for more than a year and there is a technical condition for the OIE to recognize this as well. With this, the country can also regain Asian export licenses. This would have been the second successful ASP release campaign since the Czechs. We have someone to learn from!

Neighbouring Germany also provides good news. If the state or the EU is not yet able to help the industry, responsible players will! Müller-Gruppe is fifth on the list of German pig slaughterhouses. Through an online press conference attended by representatives of pig farmers in the southern German region, but also representatives of Edeka, Kaufland and Vion Crailsheim, an aid package was announced to the pig farmer in the region:

1. 2 € / piglet bonus for piglets from the region
2. doubling the bonus paid for healthy animals = 1 € / individual
3. 2 € / individual bonus for pigs kept in conditions according to category II of the animal welfare standard, minimum from 1 January to 1 July 2021

This is a total of 4.5 € / individual; not much, but it shows the slaughterhouse's helpful attitude and is done with private money. Already in October, Edeka took a similar step in Gutfleish's regional program, whose participants are largely small farmers, guaranteeing a minimum reference price of € 1.40 / kg to suppliers until the end of 2020. If they have similar news from your region, we'd love to share it with our readers.

Another good news: the Spanish piglet price is rising again, for the third time in 5 weeks!

And: Pfizer, with FDA approval, began shipping Covid vaccine to European warehouses on Friday in anticipation of a pending use license.

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In the current situation, perhaps the last news is the most important. In the European pig industry, the year started very well and the outlook promised record high prices and profits, but the Corona pandemic showed how dependent our industry is on the HORECA and tourism branches as well. Restrictions on consumer mobility have also reduced pork turnover. One effect of this is discounted product sales: according to a report by the Nielsen Market Research Institute, in Germany, during the first lockdown, nearly 20% of products were sold at reduced prices. Currently, this proportion is more than 20%, the value of products sold under discount campaigns in the last 12 months has reached 15, 3 billion euros, which is 500 million more than in the previous period. The importance of these discount campaigns has increased in reaching the fewer and fewer customers. The HORECA sector is also trying to reach consumers with similar tools, to win them back through currently mainly online campaigns, together with companies specializing in home delivery. The EU has announced a € 500 million aid package for the sector, let's see what can be still saved.

The more than 1 million towering pigs in the meantime in the German and Danish farms have also raised another question: will this quantity not be missing from the Christmas market? The answer is coming soon...

In the Asian market, for which we all compete, meanwhile an interesting event took place in Taiwan: the local food authority announced that it would allow the import of pork containing ractopamine from 2021 onwards. This supplement is used in North American pig farming while it is banned in the EU. In the capital of Taipei, the population responded to the news with a demonstration “incidentally” supported by the local organization of the Chinese Communist Party. Another chapter in the Sino-US trade war?

One of our readers asked: what can explain the currently particularly high price of Serbian pork? In the meantime, it also decreased. The explanation, however, lies in the fact that Serbia is not an EU Member State and at the same time a net importer of pork. As far as exports are concerned, the only significant market is Russia. This has some important consequences:

- when there are no animal health (political 😊) restrictions, the Serbian pork price is close to or equal to the Russian pork price
- Serbian veterinary procedures, like those in Asia, apply ASF restrictions to all countries, including transit
- Very few countries remain as potential suppliers of piglet and pork

As a result of the above, slaughterhouses were forced to pay higher prices for pigs than the European average. The situation has been recognized by the neighboring Croatian pig industry, which this year lacked the huge market represented by tourism and broke into the Serbian market, hence the current slight decline in prices.

This year brought a quantity of challenges perhaps never seen before to our industry. Will we survive? It's a question of time...

https://bit.ly/Depeche_Mode_A_Question_Of_Time

Market overview week 49.

| Country | | Fattening pigs [€/kg] | | Piglets [€/pcs] | |
|------------------|----|-----------------------------------|---|--------------------|---------|
| GERMANY | CW | 1,19 | = | 25 kg | 22 = |
| THE NETHERLANDS | CW | 1,11-1,19 | ▼ | 25 kg | 20 ▼ |
| BELGIUM | LW | 0,71 | = | | 8 ▼ |
| DENMARK | CW | 1,25 | = | 25 kg | 23 = |
| FRANCE | CW | 1,22 | ▼ | | |
| ITALY | LW | 1,0 - 115 kg 1,27 - 160 kg PDO | ▼ | 30 kg | 62 ▼ |
| SPAIN | LW | 1,13 | ▼ | 20 kg | 26,5 ▲ |
| AUSTRIA | CW | 1,22 | = | 25 kg | 45 ▼ |
| POLAND * | LW | 0,80-0,94 | ▼ | 25 kg | 45-55 = |
| SERBIA * | LW | 1,15-1,20 | ▼ | 25 kg | 45-50 ▼ |
| CZECH REPUBLIC * | CW | 1,21-1,29 | = | 25 kg | 40-45 = |
| SLOVAKIA * | LW | 0,98-1,02 | = | 25 kg | 40-50 = |
| HUNGARY * | LW | 0,98-1,02 | = | 25 kg | 40-50 = |
| ROMANIA * | LW | 0,95-1,02 | = | 25 kg | 45-55 = |

CW= hot carcas weight, delivered

LW= live weight

PDO = Protected Designation of Origin

* based on info received from partners; no official quotation

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